



# Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

NOVEMBER 3, 2010

## Sales Tax Exemption to Reduce Agricultural Burning Expires

### Background

For several years, qualifying farmers have used a *Farmers' Certificate for Wholesale Purchases and Sales Tax Exemptions* to purchase specific equipment, or construct hay sheds, without paying sales tax.

### Effective January 1, 2011, this exemption expires

Beginning January 1, 2011, sellers must collect and remit retail sales tax on these sales regardless of whether the buyer provides a *Farmers' Certificate for Wholesale Purchases and Sales Tax Exemptions*.

For sales to qualify before the exemption expires, the sale and delivery must occur by December 31, 2010.

For the construction of hay sheds, construction services performed prior to January 1, 2011, qualify for the exemption.

### Qualified farmer

A qualified farmer is a farmer who has more than fifty percent of his or her tillable acres in cereal grains and/or field and turf grass grown for seed in qualified counties (RCW 82.04.213).

**Cereal grains:** wheat, oats, corn, barley, rye, spelt, and triticale.

**Tillable acres:** includes fallow acres.

### Qualified counties

Qualified counties, where cereal grain production exceeds fifteen thousand (15,000) acres on a yearly basis, are:

Adams	Douglas	Klickitat	Walla Walla
Asotin	Franklin	Lincoln	Whatcom
Benton	Garfield	Spokane	Whitman
Columbia	Grant	Stevens	Yakima

### Qualifying purchases

When purchased by a qualifying farmer, the following equipment is exempt from sales and use tax until December 31, 2010:

- |                       |                       |                              |
|-----------------------|-----------------------|------------------------------|
| • bale handlers       | • cultivators         | • power rakes                |
| • balers              | • discs               | • shredders                  |
| • chisels             | • harrows             | • sprayers                   |
| • combine components: | • minimum-till drills | • swathers                   |
| • chaff spreaders     | • mowers              | • tractors (250 hp and over) |
| • stripper headers    | • no-till drills      | • transplanters              |
| • straw choppers      | • plows               |                              |

### For more information

Visit our web page at [dor.wa.gov/farmers](http://dor.wa.gov/farmers) for valuable information and a link to sign up for an email distribution list to be notified of future changes affecting the agricultural industry. If you have specific questions, call 1-800-647-7706.

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**Important Information on Sales Tax Exemption  
to Reduce Agricultural Burning Expires**



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DEPARTMENT OF REVENUE

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